
**Technology, Energy &
Communications Committee**

HB 2241

Brief Description: Developing more effective streamlining of technology and innovation in the state of Washington.

Sponsors: Representatives Hudgins and Wood.

Brief Summary of Bill

- Provides that the Legislature intends to establish a Technology Governing Board that ensures appropriate coordination among state technology entities; eliminates duplication of services; sets the direction for future state technology efforts; and establishes performance metrics and a prudent administrative overhead rate.

Hearing Date: 2/21/07

Staff: Scott Richards (786-7156).

Background:

Life Sciences Discovery Fund Authority (Authority)

In 2005, the Legislature established the Authority with the purpose to promote life sciences research to foster a preventive and predictive vision of the next generation of health-related innovations, to enhance the competitive position of Washington in this vital sector of the economy, and to improve the quality and delivery of health care for the people of Washington. It is expected that this purpose will be achieved by making grants to research institutions in the state.

Beginning in 2008, Washington's receipts from the tobacco settlement will increase by \$35 million per year. The legislation establishing the Authority funnels these monies into a trust account and authorizes the Authority's trustees to expend it. The intent is to use the money to help Washington research institutions advance both their competitiveness for external grant support and their ability to move discoveries toward commercialization.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Spokane Intercollegiate Research and Technology Institute (SIRTI)

The SIRTI performs and commercializes research that will benefit the economic vitality of Eastern Washington and strengthen university-industry relationships. Also, SIRTI works to accelerate the development and growth of technology companies regionally in the Inland Northwest. The SIRTI provides commercialization services that help entrepreneurs and startup technology companies bring their innovations to market, attract investment and pursue growth strategies.

Washington Technology Center

The Legislature established the Washington Technology Center (WTC) in 1983 with the purpose to promote collaborative efforts between the state's universities, private industry, and government. It does so by performing and commercializing research on a statewide basis that benefits the intermediate and long-term economic vitality of the state of Washington, and to develop and strengthen university-industry relationships through the conduct of research that is primarily of interest to Washington-based companies or state economic development programs.

Streamlining Technology and Energy Project

During the 2006 interim, the Technology, Energy and Communications (TEC) Committee conducted research and surveyed state-based technology and energy entities to answer some fundamental questions about how these entities perform their statutory mission, set policies and priorities, fund operations and measure performance. The TEC Committee undertook this project with the goal to provide more focus and efficient use of resources by centralizing missions and reducing administrative overhead of relevant entities. The Authority, SIRTI and WTC were surveyed as part of this project.

Summary of Bill:

Legislative Finding and Intent

The Legislature finds that Washington benefits from having a dynamic technology-based economy founded on, and sustained by, world-class innovations in such areas as software, telecommunications, aerospace, biotechnology, medical instrumentation, energy, and the environment.

To assist in the growth of technological innovations, the state has established state-supported institutions, such as the WTC and the SIRTI, which seek to foster the acceleration and growth of new products and technologies in the state.

Additionally, to promote life sciences research and enhance the competitive position of the state, the Legislature created the Life Sciences Discovery Fund.

The Legislature finds that due to the fragmentation of state technology efforts and resources and the lack of a central coordinating body, the state is hindered in advancing innovation throughout the state.

In addition, technology-based institutions vary significantly in their administrative overhead costs and vary in the methods used to calculate these costs.

Technology Governing Board

The Legislature intends to create a central technology governing board that:

- advances and ensures appropriate coordination among state technology institutions and agencies;
- eliminates duplication of services;
- sets the direction for current and future technology efforts through a strategic planning process; and
- establishes performance metrics and a prudent administrative overhead rate.

Institutions under the authority of the governing board would include the WTC, the SIRT, the Life Sciences Discovery Fund, and any future technology-based entities the Legislature may establish.

The Legislature intends for the governing board to provide administrative functions, such as financial services, computer and information technology services, personnel services, communications, and administrative procedures guidance.

Administrative Overhead

The governing body will ensure an administrative overhead rate of no more than 32 percent.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.